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*Annual Report*

**ORENADA MINES LIMITED**

(NO PERSONAL LIABILITY)



**FOR THE YEAR ENDED DECEMBER 31, 1964**

# ORENADA MINES LIMITED

(No Personal Liability)

## AUTHORIZED CAPITALIZATION

\$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 each.

## DIRECTORS

DAVID W. GORDON	- - - - -	Toronto, Ontario
M. W. MacDOWELL	- - - - -	Brockville, Ontario
GORDON L. MOORE	- - - - -	Islington, Ontario
PHILIP E. BOYLEN	- - - - -	Toronto 18, Ontario
CHARLES B. BRANNIGAN	- - - - -	Toronto, Ontario

## OFFICERS

DAVID W. GORDON	- - - - -	President
M. W. MacDOWELL	- - - - -	Vice-President
GORDON L. MOORE	- - - - -	Secretary-Treasurer
CHARLES B. BRANNIGAN	- - - - -	Assistant Secretary

## HEAD OFFICE

c/o RAYMOND CARON, Q.C.,  
22nd Floor, 630 Dorchester Boulevard West, Montreal 2, Quebec

## EXECUTIVE OFFICE

908 - 330 Bay Street - - - - - Toronto, Ontario

## TRANSFER AGENTS AND REGISTRAR

CROWN TRUST COMPANY  
302 Bay Street - - - - - Toronto, Ontario



# ORENADA MINES LIMITED

(No Personal Liability)

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## *Directors' Report*

To the Shareholders:

A copy of the Balance Sheet of the Company, its related financial statements and notes relative thereto for the year ended December 31st, 1964, and the Report of the Auditors are submitted for your consideration.

The Company's Township of Bourlamaque, Quebec mining property consisting of 51 claims and comprising an area of approximately 1,984 acres is maintained in good standing. Sullico Mines Limited gave up its option to purchase seven claims of the Bourlamaque Township property in June, 1964. A total of \$10,000.00 was spent by the Optionee Company on line cutting, geophysical surveying and diamond drilling. The exploratory work failed to uncover any ore on those claims held under option located in the north-west corner of the property. No additional exploration work was carried out by the Company during the past year.

You will find enclosed a Notice calling the annual and a special Meeting of the Shareholders of the Company for Monday, the 19th day of July, 1965, at the Matapedia Salon, Queen Elizabeth Hotel, Montreal, Quebec, at 11:00 o'clock in the forenoon (Eastern Daylight Time). Also enclosed is a form of Instrument of Proxy which you may use to vote your shares at the Meeting if you are unable to attend. You may use any other appropriate form of Instrument of Proxy. In order that the proxies may be voted, they should be returned to the Secretary of the Company, by means of the enclosed envelope, prior to the meeting. In addition to the usual business to be conducted at the Annual Meeting, as outlined in the Notice, the Meeting has been called as a special Meeting in order that the Shareholders may consider, and if thought fit, confirm a capital re-organization and change of name, and an offering of rights to the Shareholders.

It is proposed that the present capital of the Company be reduced by the pro rata cancellation of 3,000,000 issued shares of the par value of \$1.00 each (on the basis whereby Shareholders will receive one reconstituted share of the Company for each four shares in the capital of the Company as presently constituted, held as of the date of the Supplementary Letters Patent), and subsequently increased by the creation of 3,000,000 shares with a par value of \$1.00 each, ranking on a parity with the then issued and unissued shares of the Company, so that the authorized capital of the Company shall consist of



\$5,000,000.00 divided into 5,000,000 shares with a par value of \$1.00 each whereof 1,000,000 shares will then be outstanding. The name of the Company will be changed to First Orenada Mines Limited (No Personal Liability), if the Shareholders approve the application for Supplementary Letters Patent.

If the matter shall be approved at the Meeting, it is proposed to offer to Shareholders at a date of record to be established by the Directors, and to be following the date of issue of Supplementary Letters Patent, the right to purchase at the price of 40¢ per share one additional reconstituted share in the capital of the Company for every two shares held by the Shareholders following the issue of Supplementary Letters Patent. As the issue of these new shares will not be registered under the Securities Act of 1933 of the United States of America, these shares will not be offered to Shareholders whose recorded addresses are in the United States of America, or any of its territories or possessions. Nevertheless the rights evidenced by the subscription warrants will be transferable and it is expected that they will be traded on the Canadian Stock Exchange at Montreal, Quebec and The Toronto Stock Exchange at Toronto, Ontario until shortly before they expire. It is understood that there is no objection to a United States Shareholder selling his rights.

Shareholders will be asked to consider and, if deemed advisable, to approve and confirm an agreement dated July 5th, 1965, made between the Company and Houston & Company Limited, a member of The Toronto Stock Exchange, wherein Houston & Company Limited as agent for and on behalf of its Client and the Principal, Lanson Holdings Limited of Toronto, Ontario, has agreed to purchase at the termination of the said rights offering, and at the said price of 40¢ per share, a sufficient number of shares to ensure that the Company will in any event receive from the said rights offering the minimum amount of \$75,000.00.

The funds which are so received will be used to supplement the present treasury of the Company. The re-organization of capital is believed to be prudent at this time in order that there be a large unissued share position available for future financing. The offering of rights to the Shareholders, at a price which will be considerably below what is expected to be the market price for the new shares, affords the Shareholders the opportunity to increase their holdings at beneficial prices should they so desire.

Your support of the proposed capital re-organization and of the proposed offering of rights is earnestly requested and you may give same by signing and returning your Proxy prior to the Meeting if you cannot be personally present at the Meeting.

On behalf of the Board of Directors,

D. W. GORDON,  
President.

Dated at Toronto, Ontario,  
this 5th day of July, 1965.

## *Auditors' Report*

To the Shareholders,  
Orenada Mines Limited,  
Toronto, Ontario.

We have examined the balance sheet of Orenada Mines Limited (No Personal Liability) as at 31 December, 1964 and the statement of deferred mine development and administration expenses for the year ended on that date. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of deferred mine development and administration expenses present fairly the financial position of the company as at 31 December, 1964 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COSSAR, HECTOR, PAYNE & CO.,  
Chartered Accountants.

May 11, 1965.



# ORENADA MINES LIMITED

(No Personal Liability)

(Incorporated under the Quebec Mining Companies Act)

## Balance Sheet as at 31 December, 1964

### ASSETS

#### Current

Cash in bank .....		\$ 15,775.91
Accounts receivable .....	\$ 778.60	
Allowance for doubtful accounts .....	778.60	
	<hr/>	<hr/>
		15,775.91

#### Investment in and advances to other mining companies (note 1)

Advances .....	35,963.87	
Shares at cost less amounts written off (market value \$8,530.00) .....	113,357.40	
	<hr/>	149,321.27
Government of Canada Bond — pledged as security .....		1,000.00

#### Mining claims — 51 mining claims located in the Laurentides Mining Division, Township of Bourlamaque, Quebec, acquired for 1,000,000 shares of capital stock at a valuation of .....

50,000.00

Costs paid in cash .....

115.50

50,115.50

#### Deferred expenditure — per attached schedule .....

326,372.10

\$542,584.78

### LIABILITIES

#### Current

Accounts payable .....	200.00
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### SHAREHOLDERS' EQUITY

#### Capital stock

##### Authorized:

5,000,000 shares of \$1.00 par value

##### Issued and fully paid:

4,000,000 shares of \$1.00 par value .....

\$ 4,000,000.00

Less: Discount on shares sold .....

3,298,363.50

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701,636.50

Capital deficit per attached schedule .....

159,251.72

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542,384.78

\$542,584.78

Approved on behalf of the Board:

D. W. GORDON, Director.

G. L. MOORE, Director.

# ORENADA MINES LIMITED

(No Personal Liability)

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## Notes to Financial Statements

31 December, 1964

### NOTE 1

Investment in and advances to other mining companies consist of:

	Advances	Shares	
		Book Value	Market Value
Captain Mines Limited .....	\$18,585.39		
16,000 shares at cost .....		\$ 1,600.00	\$1,280.00
Wesley Mines Limited .....	17,378.48		
55,000 shares at cost .....		5,500.00	2,475.00
Northern Canada Mines Limited			
2,500 shares at cost .....		6,257.50	4,775.00
Nigadoo River Mines Limited			
22,222 shares at cost .....		99,999.90	—
(During 1964 the name of Nigadoo Mines Limited was changed to Nigadoo River Mines Limited and 1 share of new stock issued for each 4½ of old stock and a 10¢ payment received as fractional share consideration)			
	<u>\$35,963.87</u>	<u>\$113,357.40</u>	<u>\$8,530.00</u>

### STATEMENT OF CAPITAL DEFICIT

For the Year Ended 31 December, 1964

Balance at 1 January, 1964 .....	\$159,158.75
Add: Development expenses written off on mining claims abandoned in 1963 .....	92.97
Balance at 31 December, 1964 .....	<u>\$159,251.72</u>



# ORENADA MINES LIMITED

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## STATEMENT OF DEFERRED MINE DEVELOPMENT AND ADMINISTRATION EXPENSES

For the Year Ended 31 December, 1964

	Expenditures Carried Forward 1 Jan., 1964	Additions for year	Balance at 31 December, 1964
<b>Deferred Mine Development</b>			
Diamond drilling .....	\$227,879.99		\$227,879.99
Surface exploration .....	5,529.98		5,529.98
Assaying .....	4,493.59		4,493.59
Maps and blueprints .....	625.94		625.94
Mining licenses .....	15,315.44	\$ 539.97	15,855.41
Taxes, fees, etc .....	11,621.85		11,621.85
General expense .....	788.77		788.77
Surveys .....	14,185.95		14,185.95
Travel expense — mine .....	2,095.96		2,095.96
Camp and cooking expense .....	6,396.39		6,396.39
	<u>288,933.86</u>	<u>539.97</u>	<u>289,473.83</u>
<b>Administrative Expenses</b>			
Advertising .....	406.96		406.96
Legal and audit fees .....	4,170.90	265.25	4,436.15
Interest and bank charges .....	54.33	3.00	57.33
Head office expense .....	24,024.65	1,800.00	25,824.65
Postage and office supplies .....	1,783.06	124.85	1,907.91
General expense .....	321.65	5.36	327.01
Security registration fees .....	4,281.20		4,281.20
Telephone and telegraph .....	1,291.53	16.44	1,307.97
Transfer agent and registrar fees .....	5,398.98	357.56	5,756.54
Travel expense .....	5,184.73	84.81	5,269.54
Capital and place of business taxes .....	1,372.81	65.00	1,437.81
Insurance .....	785.78		785.78
Bad debt expense .....	778.60		778.60
Shareholders' reports .....	2,276.16	318.18	2,594.34
	<u>52,131.34</u>	<u>3,040.45</u>	<u>55,171.79</u>
	341,065.20	3,580.42	344,645.62
Less: Interest income .....	17,929.34	344.18	18,273.52
<b>Total deferred expense .....</b>	<u><u>\$323,135.86</u></u>	<u><u>\$3,236.24</u></u>	<u><u>\$326,372.10</u></u>